



Senator Scott Wiener, 11th Senate District

Senate Bill 939 – No Commercial Evictions During COVID-19

SUMMARY

Senate Bill 939 will ban evictions of commercial tenants, including small businesses and non-profit organizations, for the duration of the COVID-19 State of Emergency that was declared by Governor Gavin Newsom on March 4, 2020. SB 939 will apply retroactively, as well; any commercial eviction issued after March 4, 2020, and prior to the passage of SB 939, shall be deemed unenforceable and void.

BACKGROUND/PROBLEM

The COVID-19 virus continues to infect populations around the world, putting the health and safety of our communities here in California at serious risk. While public health officials in California and elsewhere have taken aggressive, appropriate actions to curb the spread of the virus, these measures have unavoidably resulted in disastrous economic effects.

Many businesses with tight margins have seen their operations grind to a halt as a result of social distancing and shelter-in-place orders, and are struggling to keep their doors open. Many businesses have been forced to choose between laying off staff and not paying rent, and in some particularly hard-hit sectors – such as the restaurant industry – businesses have been closing at alarming and unprecedented rates. Meanwhile, legal representation for small businesses is more limited than ever due to precautions in all types of workplaces against spreading the virus.

The non-profit sector has faced similar challenges, given that non-profits frequently run on the tightest of margins and are extremely vulnerable to poor economic conditions that can curtail donations and other sources of revenue. In addition, when a non-profit is evicted or closed, the impacts go far beyond that organization's employees: elimination of the services that the non-profit provided can negatively impact other community members' ability to emerge from the pandemic healthy and financially stable.

Governor Gavin Newsom has shown courageous leadership in issuing a series of executive orders limiting evictions, but those orders are primarily focused on preventing residential evictions. The order that relates to commercial evictions expires May 31st, meaning that a statutory fix is needed to ensure evictions are prohibited for the duration of the state of emergency.

SOLUTION

SB 939 will ensure that no commercial tenants (businesses, non-profits, and other non-residential lessees) will be evicted during the State of Emergency declared to help fight the COVID-19 pandemic, during which economic activity has been deliberately suppressed and a business or non-profit may prove unable to pay the rent through no fault of their own. This important measure will help ensure that California emerges from this pandemic with our rich ecosystem of businesses, non-profits, and other institutions intact and thriving.

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